

3. Evidence of insurance is required (See Section III).
4. The Owner will furnish material? NO_____ YES_____ (See Attached list)
5. All work on this Contract will be performed in the Owner's exchange(s) of

6. The method of payment for performance shall be:
(Specify rate(s))

Hourly basis _____

Lump-Sum _____

Unit basis _____

No payment shall be due under this agreement while the Contractor is in default of any provision hereof.

7. The maximum amount of this contract shall be \$ _____. Payments shall be due and payable in accordance with the following schedule:

Invoices are to be submitted-to:

A duly executed RUS Form 743, Certificate of Contractor and Indemnity Agreement shall accompany the final invoice.

8. The Contractor shall begin performance of this contract no later than _____ and shall complete performance no later than _____

SECTION II - GENERAL PROVISIONS

1. Notification of Injury or Damage,: The Contractor shall promptly notify the Owner of any injury, death, loss, or damage to persons, animals, or property which is in any way related to the work performed under this contract, even though such occurrence was not caused or contributed to by, the Contractor or the Contractor's employees and agents.

2. Withholding of Payments: The Owner may withhold money due for portions of the Project which have been rejected by the Owner and which have not been corrected by the Contractor to the satisfaction of the Owner. The Contractor shall pay each material supplier, if any, within five (5) days after receipt of any payment from the Owner, the amount thereof allowed on account of materials furnished by each material supplier. The Owner may withhold money due for claims which might be the subject of reimbursement to the Owner by the Contractor. If the Owner is advised that the Contractor is not promptly paying material suppliers as set out above, or if the Owner is advised that employees of the Contractor are not being promptly paid, then the Owner may withhold such money due as the Owner deems sufficient to insure that obligations incurred by the Contractor in connection with the work covered by this Contract will be paid in full.

3. Changes in the Project: The Owner may make changes in the Project by altering, adding to or deducting from the Project. No change in the contract price shall be made for minor changes not involving extra cost. All adjustments in the contract price by reason of any other change shall be agreed to by the parties prior to commencement of the actual work in connection with such change.

4. Standards of Work: All work performed under this contract shall conform to applicable current Rural Electrification Administration (hereinafter called "RUS") standards and specifications.

The Contractor shall furnish and be responsible for all supervision, labor, tools, equipment, power, transportation, material, and supplies required to perform the work, except those items specifically listed which will be furnished by the Owner. The Contractor shall pick up and transport such material and equipment from its place of storage to the job site as needed. The Contractor shall transport and return to a place of storage designated by the Owner unused material and equipment belonging to the Owner.

5. Provision of Materials: In the performance of this Contract, there shall be used only such unmanufactured articles, materials, and supplies as have been mined or produced in the United States, and only such manufactured articles, materials, and supplies as have been manufactured in the United States substantially all from articles, materials, or Supplies mined, produced, or manufactured, as the case may be, in the United States: Provided, that foreign articles, materials, or supplies may be used in the event and to the extent that the RUS Administrator shall expressly in writing authorize such use pursuant to the provisions of the Rural Electrification Act of 1938, being Title IV of Public Resolution No. 122, 75th Congress, approved June 21, 1938. The contractor agrees to submit to the Owner such certificate or certificates,

signed by the Contractor with respect to compliance with the foregoing provisions as the RUS Administrator from time to time may require.

All materials and equipment furnished by the Contractor, shall be listed in the latest List of Materials Acceptable for Use on Telephone Systems of RUS Borrowers. The contractor shall purchase materials and supplies outright and not subject to any conditional sales agreement, bailment lease, or other agreement reserving to the seller any right, title, or interest therein.

All guarantees of materials and workmanship running in favor of the Contractor shall be transferred and assigned to the Owner on completion of construction and at such time as the Contractor receives final payment.

The Contractor shall save harmless and indemnify the Owner from any and all claims, suits, and proceedings for the infringement of any patent or patents covering any materials or equipment provided by the Contractor used in construction of the Project.

It shall be the duty of the Contractor to inspect all material used in the performance of the work, whether or not furnished by the Owner. The contractor shall not use any defective material in the performance of the work.

The Contractor shall reimburse the Owner or shall replace at no cost to the Owner any materials destroyed, damaged, or lost, regardless of cause, in the performance of the contract.

6. Laws and Regulations: The Contractor shall comply with all Federal, State, and Municipal Laws, ordinances and regulations and building and construction codes applicable to the performance of the work and give all notices that may be required. If the Contractor observes that the work to be performed is at variance with any law, ordinance, regulation, or building or construction code, he shall promptly notify the Owner. The Contractor shall follow the instructions of Government officials regarding maintenance of traffic and protection of the public. The Contractor shall obtain a copy of regulations or permit requirements of the appropriate Road authorities and make all employees aware of these regulations.

The Contractor acknowledges that it is familiar with the Rural Electrification Act of 1936, as amended, the Anti-Kickback Acts, as amended (40 USC 276c; 41 USC 51 et seq.), and regulations issued pursuant thereto, and 18 U.S.C. 287, 874, 1001, as amended. The Contractor understands that the obligations of the parties hereunder are subject to the applicable regulations and orders of Governmental agencies having jurisdiction in the premises.

7. Environmental Protection: The Contractor shall perform work in such a manner as to maximize preservation of beauty and conservation of natural resources, and minimize marring and scarring of the landscape and silting of streams. The Contractor shall not deposit trash in streams or waterways, and shall not deposit herbicides or other chemicals or their containers in or near streams, waterways or pastures. The Contractor shall follow, under the general direction of the Owner, the criteria relating to environmental protection as specified herein by the Owner.

8. Inspection of Work: The Owner may maintain inspectors at the job site, and to further assure compliance with the plans and specifications and maintain quality of construction, may, after reasonable notice to the Contractor, perform from time to time operational tests on the Project or a portion or portions thereof selected by the Owner. However, such inspectors or other employees or agents of the Owner shall not have authority to direct or advise the Contractor or his employees and agents concerning the method or manner by which the work is to be performed. The Contractor has sole authority, responsibility, and control over the method and manner by which the work is to be performed and shall remain in all respects an independent contractor.

9. Service Pipes and Underground Structures: The Contractor at the Contractor's expense shall locate any pipes, conduits or other underground structures or obstructions which are in the way of the construction, whether or not any work plans omit to show or purport to show their locations. All such property damaged in the course of the work shall be repaired by the Contractor in a manner satisfactory to the Owner.

10. Duty of Safe Performance: The Contractor shall at all times take all reasonable precautions to protect all persons and property, including property of the Owner from injury arising out of the performance of the work. The Contractor shall make such inspections, safety checks, and tests, and shall provide such equipment, personnel, and supervision as is necessary to insure the safe performance of the work.

11. Defects in Work: The Contractor shall correct at its expense all defects and deficiencies in the work which result from labor or material furnished by the Contractor, workmanship, or failure to follow the plans, drawings, RUS standards, or other specifications made a part of this contract, which are discovered within one (1) year from the date the work is accepted. Acceptance of the work by the Owner shall not constitute a waiver of any such defects or deficiencies. The Owner shall notify the contractor in writing of any defects and deficiencies and if the contractor has failed to remedy or made arrangements satisfactory to the Owner and RUS to remedy such defects and deficiencies within twenty (20) days thereafter, the Owner may remedy such defects and deficiencies and the Contractor shall pay the Owner the cost of making such corrections.

12. Completion on Contractor's Default: If default shall be made by the Contractor in the performance of any of the terms of this Contract, the Owner, without in any manner limiting its legal and equitable remedies in the circumstances, may serve upon the Contractor a written notice requiring the Contractor to cause such default to be corrected forthwith. Unless within twenty (20) days after the service of such notice upon the Contractor such default shall be corrected or arrangements for the correction thereof satisfactory to the Owner shall be made by the Contractor, the Owner may take over the construction of the Project and prosecute the same to completion by contract or otherwise for the account and at the expense of the Contractor, and the Contractor shall be liable to the Owner for any cost or expense in excess of the contract price occasioned thereby. In such event the Owner may take possession of and utilize, in completing the construction of the Project, any materials, tools, supplies, equipment, appliances, and plant belonging to the Contractor which may be situated at the site on the Project. The Owner in such contingency may exercise any rights, claims, or demands which the Contractor may have against third persons in connection with this Contract and for such

purpose the Contractor does hereby assign, transfer, and set over unto the Owner all such rights, claims. and demands.

13. Indemnification: The Contractor agrees to indemnify and hold harmless the Owner from any and all claims, actions. or causes of action to the extent the claimed loss or damage arises out of the Contractor's negligent performance or nonperformance of the work herein contracted to be done, whether such claims. actions, or causes of action are alleged to be the results of any act or omission of the Contractor, its subcontractors, agents, servants, employees, or any or all of them and regardless of the fact that the work may have been completed and accepted by the Owner and regardless of the fact the Contractor may have received payment for the work. The Owner shall promptly notify the Contractor in writing of any such claims, actions, or causes of action and give the Contractor full opportunity and authority to assume the sole defense and settlement thereof. The Owner shall furnish to the Contractor upon request all information available to the Owner for defense against any claim, action, or cause of action. The Contractor's liability under this indemnity shall not exceed the value of the contract except for those claims involving personal injury or tangible property damage.

14. Miscellaneous: The Contractor has made a careful examination of the Project and conditions *which* may effect work under this Contract.

The Contractor will build the outside plant facilities under the Contract on rights-of-way provided by the Owner including, where directed by the Owner, rights-of-way presently occupied by existing facilities of the Owner. The Contractor will use no explosives in the performance of work under this Contract without the prior written approval of the Owner. All permits necessary for the handling or use of dynamite or other explosives in connection with construction of the Project shall be obtained by and at the expense of the Contractor.

Except as otherwise agreed to by the Owner, all work shall be performed without interruption to or interference with existing telephone service.

The Contractor shall not assign this Contract or any part thereof, or enter into any contract with any person. firm, or corporation for performance of the Contractor's obligations hereunder, or any part of such obligations.

15. Nondiscrimination: (See RUS Form 270 attached).

16. Debarment: The Contractor represents that to the extent required, it has complied with Executive Orders 12549 and 12689, Debarment and Suspension, and any rules or regulations issued thereunder, including 7 CFR Part 3017.

Note: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

SECTION III - INSURANCE

During the Contractor's performance hereunder. the Contractor shall take out and maintain fully paid insurance providing not less than the minimum coverage required by 7 CFR Part 1788, Subpart C.

The Owner may at any time require public liability insurance and property damage liability insurance greater than that required in 7 CFR Part 1788, Subpart C. In any such event, the additional premium or premium payable solely as the result of such additional insurance shall be added to the contract price.

I have read, understand, and agree to all portions of this Contract.

(Contractor)
By _____ Date _____
Title _____

(Owner)
By _____ Date _____
Title _____